

IN THE UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

ST. PAUL FIRE AND MARINE  
INSURANCE COMPANY,

Plaintiff,

v.

HIGHLINE SCHOOL DISTRICT NO. 401, a  
municipal corporation; SCHOOLS  
INSURANCE ASSOCIATION OF  
WASHINGTON; R.T. an individual,

Defendants.

No. 2:17-cv-01917-TSZ

**FIRST AMENDED COMPLAINT  
FOR DECLARATORY RELIEF**

**I. PARTIES**

1. Plaintiff St. Paul Fire and Marine Insurance Company (“St. Paul”) is a foreign insurance company licensed to conduct business in the State of Washington.

2. St. Paul is organized under the laws of the State of Connecticut with its principal place of business located in the State of Connecticut.

3. Highline School District No. 401 (the “District”) is a municipal corporation organized under the laws of the State of Washington with a principal place of business in King County, Washington. On information and belief, the District provides public education services

1 through its schools, including Evergreen High School (“Evergreen”), which is located in King  
2 County.

3 4. On information and belief, R.T. is an adult woman who attended Evergreen  
4 High School at all relevant times hereto.

5 5. On information and belief, R.T. is a resident of the State of Washington.

6 6. Schools Insurance Association of Washington (“SIAW”) is a direct property and  
7 casualty insurance carrier organized under the laws and regulations of Washington State.  
8 SIAW’s principal place of business is located in Ephrata, Washington.

## 9 **II. JURISDICTION AND VENUE**

10 7. This Court has jurisdiction over this claim pursuant to 28 U.S.C. §1332 as the  
11 amount in controversy exceeds \$75,000.00, exclusive of interest and costs, and diversity  
12 amongst the parties is complete.

13 8. Venue is proper with this Court pursuant to 28 U.S.C. §1391 as this claim  
14 involves the District’s claim for insurance proceeds stemming from an alleged loss occurring in  
15 King County, Washington.

16 9. Venue is also proper with this Court pursuant to 28 U.S.C. §1391 as the District  
17 resides in in this judicial district.

## 18 **III. RELEVANT FACTS**

### 19 ***1. The Underlying Lawsuit***

20 10. On November 7, 2017, the Underlying Lawsuit<sup>1</sup> was filed against the District in  
21 Washington State Superior Court in and for King County.

22 11. On September 6, 2017, R.T. filed a Notice of Tort Claim against the District.

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<sup>1</sup> *R.T. v. Highline School District No. 41.*, Case No. 17-2-28999-8 SEA.

1           12.     R.T. alleges that in 1994 she was a sixteen-year-old student at Evergreen  
2 enrolled in a dance class at the school taught by two District employees.

3           13.     R.T. alleges that during one class the teacher brought a man to the class named  
4 LaShawn Ferguson (“Ferguson”) and advised that he would be helping to teach the class.

5           14.     R.T. further alleges that her dance teachers advised her that she would need to  
6 improve her grades if she wanted to continue dancing and that she should seek tutoring.

7           15.     R.T. asserts the dance instructors provided her with an address to go to be  
8 tutored.

9           16.     Upon arriving at that address, R.T. alleges that Ferguson was waiting for her and  
10 raped her at that time.

11           17.     Soon after the rape, R.T. alleges she withdrew from Evergreen and moved to  
12 New York, where she subsequently gave birth to a baby that she alleges was conceived during  
13 the time of the rape.

14           18.     Over the next 23 years R.T. raised the child.

15           19.     Ferguson is alleged to now be a convicted sex offender in Washington.

16           20.     R.T. alleges that due to the District’s negligence, she was a victim of childhood  
17 sexual abuse.

18           21.     R.T. alleges that the rape occurred as a direct result of negligence and other  
19 failures of the District.

20           22.     R.T. further alleges that as a direct and proximate result of the District’s acts and  
21 omissions, R.T. has suffered severe psychological harm and emotional injury, including but not  
22 limited to mental distress and anguish, as well as general and special damages to be proven at  
23 trial.

23. R.T. asserts a cause of action for negligence against the District.

24. R.T. prays for general and special damages, attorneys' fees and costs, interest, and such other and further relief as the Court deems just and proper.

**2. *The St. Paul Policies Issued to The District***

25. St. Paul issued a series of one-year insurance policies to the District, including policy number CK08403045 which was in affect for the 10/1/2000-10/1/2001 policy period, policy number CK08403211 which was in effect for the 10/1/2001-10/1/2002 policy period, and policy number CK08403396 which was in effect for the 10/1/2002-10/1/2003 policy period (hereinafter collectively the "St. Paul Policies").

26. The coverage afforded under St. Paul Policies are substantially the same. Unless referred to individually, the following terms and conditions are taken from the 10/1/2000 - 10/1/2001 policy.

**a. Commercial General Liability Protection**

27. The St. Paul Policies provide commercial general liability ("CGL") insurance pursuant to their terms and conditions and not otherwise.

28. Each CGL coverage part has a general total limit of \$2,000,000.

29. Each CGL coverage part has a personal injury each person limit of \$1,000,000.

30. Each CGL coverage part has an each event limit of \$1,000,000.

31. The CGL coverage part of the St. Paul Polices contains the following insuring agreement pertaining to coverage for "bodily injury":

**What This Agreement Covers**

**Bodily injury and property damage liability.** We'll pay amounts any protected person is legally required to pay as damages for covered bodily injury, property damage or premises damage that:

- happens while this agreement is in effect; and
- is caused by an event.

**Protected person** means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement section.

**Bodily injury** means any physical harm, including sickness or disease, to the physical health of other persons. It includes any of the following that results at any time from such physical harm, sickness or disease:

We'll consider any of the following that happens at any time to be part of such physical harm, sickness, or disease, if it results in or from such physical harm, sickness, or disease:<sup>2</sup>

- Mental anguish, injury or illness.
- Emotional distress.
- Care, loss of services, or death.

We'll consider any bodily injury that's a continuation, change, or resumption of previously known bodily injury to happen before this agreement begins if such continuation, change, or resumption would otherwise be covered by this agreement because of a continuous, multiple, or other coverage trigger required under the law that applies.<sup>3</sup>

Of course, if there's a continuation, change, or resumption, after this agreement ends, of bodily injury that:

- isn't previously known bodily injury; and
- happens while this agreement is in effect;

We'll consider such continuation, change, or resumption to also happen while this agreement is in effect if that would be the result because of a continuous, multiple, or other coverage trigger required under the law that applies.<sup>4</sup>

**Previously known bodily injury** means bodily injury that happened before this agreement begins and was known by you or any described individual protected person before this agreement begins as a result of any of the following at that time:

<sup>2</sup> This paragraph exists only in Form 47500 Rev. 1-01, p. 2, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies.

<sup>3</sup> This paragraph exists only in Form 47500 Rev. 1-01, p. 2, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies.

<sup>4</sup> This paragraph exists only in Form 47500 Rev. 1-01, p. 2, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies.

- You or any described individual protected person reporting all or part of that bodily injury to us or any other insurer.
- You or any described individual protected person receiving a claim or suit for all or part of that bodily injury.
- Any described individual protected person witnessing, or being told of, the beginning, or any change, continuation, or resumption, of all or part of that bodily injury.<sup>5</sup>

*Described individual protected person* means any of the following:

- ...
- Any of your directors or executive officers if you are a corporation or other organization.
  - Any of your employees who is or acts as your insurance or risk manager or holds a position in your insurance, risk management, or legal department.<sup>6</sup>

...

*Event* means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Form 47500 Rev. 1-96, pp. 1-2

32. The CGL coverage part of the St. Paul Policies contains the following insuring agreement pertaining to coverage for “personal injury”:

**Personal injury liability.** We'll pay amounts any protected person is legally required to pay as damages for covered personal injury that:

- results from your business activities, other than advertising, broadcasting, publishing, or telecasting done by or for you; and
- is caused by a personal injury offense committed while this agreement is in effect.

*Personal Injury* means injury, other than bodily injury or advertising injury, that's caused by a personal injury offense.

<sup>5</sup> This paragraph exists only in Form 47500 Rev. 1-01, p. 2, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies.

<sup>6</sup> This paragraph exists only in Form 47500 Rev. 1-01, p. 2, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies.

*Personal injury offense* means any of the following offenses:

- False arrest, detention, or imprisonment.
- Malicious prosecution.
- Wrongful entry into, or wrongful eviction from, a room, dwelling, or premises that a person occupies (,if committed by or for the landlord, lessor, or owner of that room, dwelling, or premises<sup>7</sup>).
- Invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies (,if committed by or for the landlord, lessor, or owner of that room, dwelling, or premises<sup>8</sup>).
- Libel or slander (,in or with covered material<sup>9</sup>).
- Making known to any person or organization written or spoken material that disparages the products, work, or completed work of others.<sup>10</sup>
- Making known to any person or organization written or spoken material that violates a person's right of privacy.

Form 47500 Rev. 1-96, p. 2.

33. The CGL coverage part of the St. Paul Policies contains the following language pertaining to St. Paul's defense obligation:

**Right and duty to defend a protected person.**

We'll have the right and duty to defend any protected person against a claim or suit for injury or damage covered by this agreement. We'll have such right and duty even if all of the allegations of the claim or suit are groundless, false, or fraudulent. But we won't have a duty to perform any other act or service.

<sup>7</sup> Language in parenthetical exists only in Form 47500 Rev. 1-01, p. 3, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies.

<sup>8</sup> Language in parenthetical exists only in Form 47500 Rev. 1-01, p. 3, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies.

<sup>9</sup> Language in parenthetical exists only in Form 47500 Rev. 1-01, p. 3, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies.

<sup>10</sup> The sub-definition of *personal injury offense* in Form 47500 Rev. 1-01, p. 3, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies, is as follows: "Making known to any person or organization covered material that disparages the products, work, or completed work of others."

We'll have the right to investigate any event, offense, claim, or suit to the extent that we believe is proper. We'll also have the right to settle any claim or suit within:

- any applicable deductible; or
- the available limits of coverage.

Our duty to defend protected persons ends when we have used up the limits of coverage that apply with the payment of:

- judgments;
- settlements;
- medical expenses; or
- indemnitee defense expenses assumed under contract.

We explain what we mean by indemnitee defense expenses assumed under contract, and when we'll pay such expenses, in the Contract liability exclusion.

***Claim*** means a demand which seeks damages.

***Suit*** means a civil proceeding which seeks damages. It includes:

- an arbitration proceeding for such damages to which the protected person must submit, or submits with our consent; and
- any other alternative dispute resolution proceeding for such damages to which the protected person submits with our consent.

***Injury or damage*** means:

- bodily injury, personal injury, or advertising injury; or
- property damage.
- 

***Offense*** means any:

- personal injury offense; or
- advertising injury offense.

Form 47500 Rev. 1-96, pp. 3-4.

34. The CGL coverage part of the St. Paul Policies contains the following pertaining to when coverage is afforded under the Policies:

#### **When This Agreement Covers**

##### **Bodily injury and property damage liability.**

We'll apply this agreement to claims or suits for covered bodily injury or property damage whenever they're made or brought.



**Personal injury liability.** We'll apply this agreement to claims or suits for covered personal injury whenever they're made or brought.

...

Form 47500 Rev. 1-96, p. 4.

35. The CGL coverage part of the St. Paul Policies contains the following language pertaining to whom coverage is afforded under the Policies:

**Who Is Protected Under This Agreement**

**Corporation or other organization.** If you are shown in the Introduction as a named insured and a corporation or another organization, you are a protected person. Your directors and executive officers are protected persons only for the conduct of their duties as your directors or executive officers. And your stockholders are protected persons only for their liability as your stockholders.

...

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you; or
- their performance of duties related to the conduct of your business.

And your volunteer workers are protected persons only for activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

...

*Employee* includes a leased worker, other than a leased temporary worker.

*Leased worker* means any person who:

- is hired from an employee leasing firm under a contract or agreement between the hirer and that firm; and
- is performing duties related to the conduct of the hirer's business.

*Volunteer worker* means any person other than:

- an employee; or
- a leased temporary worker.

...

**Student Teachers.** Any student teacher teaching for you as part of their educational requirements is a protected person. But only for covered injury or damage that results from their duties for you.

Form 47500 Rev. 1-96, pp. 5-6, as amended by Form 47180 Rev. 1-96.

36. The CGL coverage part of the St. Paul Policies contains the following language pertaining to the limits of coverage afforded under the policies:

**Limits of Coverage**

The limits shown in the Coverage Summary and the information contained in this section fix the most we'll pay as damages and medical expenses, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

**General total limit.** This is the most we'll pay for the combined total of:

- all covered bodily injury and property damage that happens in a policy year;
- all covered personal injury that's caused by all advertising injury offenses committed in a policy year;
- all covered medical expenses that result from all events which happen in a policy year.

We'll apply the general total limit separately to:

- the combined total of all covered bodily injury, property damage, and medical expenses that result from each of your premises;
- the combined total of all covered bodily injury, property damage, and medical expenses that result from the remainder of your business, other than your products or completed work, which isn't conducted at, on, or in, or in connection with, any of your premises; and
- the combined total of all covered personal injury and advertising injury that's caused by all personal injury

offenses and advertising injury offenses committed in a policy year, regardless of the number of your premises.

...

*Policy Year* means the policy period shown in the introduction, or the period of time that this agreement is in effect, whichever is less. But when that period is longer than one year, it means each consecutive annual period, and the remaining period, if any, that this agreement is in effect, starting with the beginning date of this agreement.<sup>11</sup>

...

**Person injury each person limit.** This is the most we'll pay for all covered personal injury that:

- is sustained by any one person or organization; and
- is caused by all personal injury offenses committed in a policy year.

...

**Each event limit.** This is the most we'll pay for all covered bodily injury, property damage, and medical expenses that result from any one event.

...

Form 47500 Rev. 1-96, pp. 8-9, as amended by Form 43986 Rev. 3-97.

37. The CGL coverage part of the St. Paul Policies contains the following exclusions limiting the coverage afforded under the Policies:

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<sup>11</sup> The definition of *policy year* in Form 47500 Rev. 1-01, p. 3, present in the CGL Coverage Parts of the 10/01/2001-10/01/2002 and 10/01/2002 – 10/01/2003 Policies, is as follows: "*Policy year* means the policy period shown in the Introduction, or the period of time that this agreement is in effect, whichever period is shorter. But when that period is longer than one year, policy year means each of the following periods of time that this agreement is in effect, starting with the beginning date of this agreement:

- Each consecutive one-year period.
- Any period that remains after the last consecutive one-year period."

However, if the original policy period shown in the introduction is extended for a period of less than one year, we'll consider each such extended period to be part of the last policy year, regardless of the number of extensions provided."

**Exclusions - What This Agreement Won't Cover**

...

**Deliberately breaking the law.** We won't cover injury or damage that results from:

- the protected person knowingly breaking any criminal law; or
- any person or organization breaking any criminal law with the consent or knowledge of the protected person.

Form 47500 Rev. 1-96, p. 14.

**Expected or intended bodily injury or property damage.** We won't cover bodily injury or property damage that's expected or intended by the protected person. Nor will we cover medical expenses that result from such bodily injury.

...

Form 47500 Rev. 1-96, p. 14.

38. CGL coverage part of the St. Paul Policies contains the following language regarding other insurance.

**Other Insurance**

This agreement is primary insurance. If there is any other valid and collectible insurance for injury or damage covered by this agreement, the following applies in connection with that insurance.

**Other Primary Insurance.** When there is other primary insurance, we'll share with that insurance the amounts you're legally required to pay as damages for injury or damage covered by this agreement. We'll do so with one of the methods of sharing described in the Methods of Sharing Section.

However, we'll apply this agreement as excess insurance over the part or parts of any other insurance which provide:

...

- Protection for you as an additional insured or additional protected person if you agree that we may apply this agreement as excess insurance.

...

**Excess Insurance.** When this agreement is excess insurance, we won't have a duty to defend the protected person against the part or parts of any claim or suit for which any other insurer has the duty to defend the protected person.

However, we'll defend the protected person against a claim or suit for injury or damage covered by this agreement if no other insurer will do so. In return we'll require that we be given all of the protected person's rights against each insurer.

...

Form 47500 Rev. 1-96, pp. 21-22.

39. CGL coverage part of the October 1, 2001 – October 1, 2002 and October 1, 2002 – October 1, 2003 St. Paul Policies contain the following language regarding other insurance.

**Other Insurance**

This agreement is primary insurance. If there is any other valid and collectible insurance for injury or damage covered by this agreement, the following applies in connection with that insurance.

*Other insurance* means insurance, or the funding of losses, that's provided by or through:

- another insurance company;
- us, except under this agreement;
- any of our affiliated insurance companies;
- any risk retention group;
- any self-insurance method or program, other than any funded by you and over which this agreement applies; or
- any similar risk transfer or risk management method.

However, we won't consider umbrella insurance, or excess insurance, that you bought specifically to apply in excess of the limits of coverage that apply under this agreement to be other insurance.

**Primary or excess other insurance.** When there is primary other insurance, we'll share with that other insurance any damages for injury or damage covered by this agreement. We'll do so with one of the methods of sharing described in the Methods of sharing section.

However, we'll apply this agreement as excess insurance over the part or parts of any primary or excess other insurance that provide:

...

- Protection for you as an additional insured r additional protected person.

...

**When this agreement is excess insurance.** When this agreement is excess insurance, we won't have a duty to defend the protected person against the part or parts of any claim or suit for which any other insurer has the duty to defend that protected person.

However, we'll defend the protected person against a claim or suit for injury or damage covered by this agreement if no other insurer will do so. In return we'll require that we be given all of that protected person's rights against each such insurer.

...

Form 47500 Rev. 1-01, p. 26.

40. The October 1, 2001 – October 1, 2002 and October 1, 2002 – October 1, 2003

St. Paul Policies contain the following endorsement regarding other insurance.

If you've specifically agreed in a written contract that this agreement must be primary to and non-contributory with other insurance issued directly to a described additional protected person, we won't share with that other insurance any damages incurred by that described additional protected person for:

- bodily injury or property damage covered by this agreement that happens after that written contract was made; or
- personal injury or advertising injury covered by this agreement that's caused by an offense committed after that written contract was made.

*Described additional protected person* means any person or organization, other than you, who:

- qualifies as a protected person under this agreement; and
- is named or described below.

**Name or description:**

All persons or organizations as required by written contract and to whom Certificates of Insurance have been issued and on file with the Company.

Form G0435 Ed. 4-00, p. 1.

41. The October 1, 2001 – October 1, 2002 and October 1, 2002 – October 1, 2003

St. Paul Policies contain the following endorsement:

**Sexual abuse.** We won't cover bodily injury, personal injury, or medical expenses that result from any sexual abuse committed by any person who otherwise qualifies as a protected person.

Form 43928 Rev. 1-01.

42. The St. Paul Policies contain the following endorsement regarding what to do in the event of a loss:

**WHAT TO DO IF YOU HAVE A LOSS**

You or other protected persons are required to perform the duties described below when a property loss that may be covered under this policy happens or an accident or incident happens that could result in liability damages covered under this policy. Failure to comply could affect coverage. The insuring agreements contained in this policy determine what is covered. As a result, you should read them carefully to understand the extent of the coverage provided.

...

**When This Policy Provides Liability Protection**

If an accident or incident happens that may involve liability protection provided in this policy, you or any other protected person involved must:

1. Notify the police if a law may have been broken.
2. Tell us or our agent what happened as soon as possible. Do this even though no demand for damages has been made against you or any other protected person, but you or another protected person is aware of having done something that may later result in a demand for damages.

This notice should include all of the following:

- The time and place of the accident or incident;
- The protected person involved;

- The specific nature of the accident or incident including the type of demand for damages that may result; and
- The names and addresses of any witnesses and injured people.
- ...
- Send us a copy of all written demands. Also send us a copy of all legal documents if someone starts a lawsuit.
- Cooperate and assist us in securing and giving evidence, attending hearings and trials, and obtaining the attendance of witnesses.
- Not assume any financial obligation or pay out any money without our consent. But this rule doesn't apply to first aid given to others at the time of an accident.

Form 40814 Ed. 11-91.

### 3. *The St. Paul Policies Issued to SIAW as a Pool*

43. From September 1, 2003 through September 1, 2009, St. Paul the following one-year package policies to SIAW (the "St. Paul Pool Policies"):

- GP06301434, effective 09/01/2003 - 09/01/2004;
- GP06301650, effective 09/01/2004 – 09/01/2005;
- GP06301762, effective 09/01/2005 – 09/01/2006;
- GP06301882, effective 09/01/2006 – 09/01/2007;
- GP06301988, effective 09/01/2007 – 09/01/2008; and
- GPO6302091, effective 09/01/2008 – 09/01/2009.

44. The District is listed as a Pool participant under the St. Paul Pool Policies.

45. Unless referenced individually, the coverage afforded under the St. Paul Pool Policies is same or substantially similar.

46. The St. Paul Pool Policies contain the following coverage part:

a. ***The "Public Entity Liability Protection Pooling Groups — Excess of Self-Insured Retention" Coverage Part***

47. The St. Paul Pool Policies contain the following coverage form:



1                   **"Public Entity Liability Protection Pooling Groups — Excess**  
2                   **of Self-Insured Retention"** (hereinafter referred to as the  
3                   "PELP coverage part").

4                   Form OL023 Ed. 8-98.

5                   48.     The PELP coverage part of the St. Paul Pool Policies has a \$100,000 Self-  
6                   Insured Retention for "each accident, event, offense, or wrongful act."

7                   49.     The PELP coverage part of the St. Paul Pool Policies, except for the 09/01/2008  
8                   – 09/01/2009 St. Paul Pool Policy, has a \$20,000,000 limit for each accident, event, offense, or  
9                   wrongful act.

10                  50.     The PELP coverage part of the 09/01/2008 – 09/01/2009 St. Paul Pool Policy  
11                  has a \$25,000,000 limit for each accident, event, offense, or wrongful act.

12                  51.     The PELP coverage part of the St. Paul Pool Policies, except for the 09/01/2008  
13                  – 09/01/2009 St. Paul Pool Policy, has a \$30,000,000 general total limit.

14                  52.     The PELP coverage part of the 09/01/2008 – 09/01/2009 St. Paul Pool Policy  
15                  has a \$40,000,000 general total limit.

16                  53.     The PELP coverage part of the 09/09/01/2003 – 09/01/2004 through 09/01/2005  
17                  – 09/01/2006 of the St. Paul Pool Policies have a \$10,000,000 pool sexual abuse maximum  
18                  limit.

19                  54.     The PELP coverage part of the 09/01/2006 – 09/01/2007 and 09/01/2007 –  
20                  09/01/2008 of the St. Paul Pool Policies has a \$20,000,000 pool sexual abuse maximum limit.

21                  55.     The PELP coverage part of the 09/01/2008 – 09/01/2009 St. Paul Pool Policy  
22                  has a \$25,000,000 pool sexual abuse maximum limit.

23                  56.     The PELP coverage part of the St. Paul Pool Policies has a \$5,000,000 sexual  
abuse total limit.

1           57.     The PELP coverage parts of the St. Paul Pool Policies have a \$5,000,000 sexual  
2 abuse each person limit.

3           58.     The PELP coverage part of the St. Paul Pool Policies contains the following  
4 insuring agreement:

5                   **What This Agreement Covers**

6                   **Bodily injury and property damage liability.**

7                   We'll pay amounts any protected person is legally required to pay as  
8                   damages for covered bodily injury or property damage that:

- 9                   •       happens while this agreement is in effect; and  
                  •       is caused by an event.

10           Policy Form OL023 Ed. 8-98, p. 2.

11           59.     The PELP coverage part of the St. Paul Pool Policies contains the following  
12 definitions that are applicable to the foregoing Insuring Agreement.

13                   *Protected person* means any person or organization who qualifies as a  
14                   protected person under the Who is Protected Under This Agreement  
                  section.

15                   *Bodily Injury* means:

- 16                   •       physical harm, sickness, or disease;  
17                   •       Mental anguish, injury, or illness.  
18                   •       Emotional distress.  
                  •       Care, loss of services, or death.  
                  •       Humiliation.

19                   ...

20                   *Event* means an accident, including continuous or repeated  
                  exposure to substantially the same general harmful conditions.

21           Policy Form OL023 Ed. 8-98, p. 2.

22           60.     In addition to the foregoing, the PELP coverage part of the St. Paul Pool Policies  
23 contains the following Insuring Agreement for Personal Injury Liability:

**Personal injury liability.** We'll pay amounts any protected person is legally required to pay as damages for covered personal injury that:

- results from your operations, other than advertising, broadcasting, publishing, or telecasting done by or for you; and
- is caused by a personal injury offense committed while this agreement is in effect.

Policy Form OL023 Ed. 8-98, p. 2.

61. The PELP coverage part of the St. Paul Pool Policies contains the following definitions that are applicable to the PELP coverage part Insuring Agreement:

*Personal injury* means injury, other than bodily injury or advertising injury, that's caused by a personal injury offense.

*Personal injury offense* means any of the following offenses:

- False arrest, detention, or imprisonment.
- Malicious prosecution.
- Wrongful entry into, or wrongful eviction from, a room, dwelling, or premises that a person occupies.
- Invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies.
- Libel or slander.
- Making known to any person or organization written or spoken material that disparages the products, work, or completed work of others.
- Making known to any person or organization written or spoken material that violates a person's right of privacy.
- Improper service of process.
- Violation of civil rights under any federal, state, or local law.

Policy Form OL023 Ed. 8-98, pp. 2-3.

62. The PELP coverage part of the St. Paul Pool Policies contains the following exclusions:

**Exclusions - What This Agreement Won't Cover**

**Insuring Agreement Exclusions**

The following exclusions apply to all coverages provided by this insuring agreement.

...

**Deliberately breaking the law.** We won't cover injury or damage that results from:

- the protected person knowingly breaking any criminal law; or
- any person or organization breaking any criminal law with the consent or knowledge of the protected person.

Policy Form OL023 Ed. 8-98, p. 15.

**Expected or intended bodily injury or property damage.** We won't cover bodily injury or property damage that's expected or intended by the protected person.

Policy Form OL023 Ed. 8-98, p. 16.

**Dishonest acts.** We won't cover claims that result from dishonest, intentionally fraudulent, criminal, or malicious acts or omissions of any protected person or of anyone for whose acts the protected person is legally responsible.

But this exclusion doesn't apply to any protected person who didn't:

- personally participate in committing any such act or omission; or
- remain passive after having personal knowledge of any such act or omission.
- 

Policy Form OL023 Ed. 8-98, p. 23.

63. The PELP coverage part of the St. Paul Pool Policies contains the following

Endorsements:

PUBLIC ENTITY LIABILITY PROTECTION POOLING  
GROUPS LIMITED PUNITIVE DAMAGES EXCLUSION  
ENDORSEMENT

This endorsement changes your Public Entity Liability Protection Pooling Groups - Excess Of Self-Insured Retention.

How Coverage Is Changed

The following is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.

Punitive damages. We won't pay punitive damages awarded as a part of a judgment or settlement.

Policy Form OL103 Ed. 10-02.

64. The St. Paul Pool Policies contain the following policy endorsement:

Public Entity Liability Protection Pooling Groups  
Sexual Abuse Insured Elsewhere Exclusion Endorsement -  
Highline School District

---

This endorsement changes your Public Entity Liability Protection Pooling Groups - Excess of Self-Insured Retention

How Coverage Is Changed

The following is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.

Sexual abuse insured elsewhere exclusion. We won't cover bodily injury and personal injury that result from any sexual abuse:

- \* committed by any person who otherwise qualifies as a protected person; and
- \* which is considered a covered loss under policy GG06300165.

However, this exclusion applies only to Highline School District. Sexual abuse means any illegal or offensive physical act or contact of asexual nature.

Policy Form 40502 Ed.1-80.

65. The PELP coverage part of the St. Paul Pool Policies contains the following policy provisions:

**Right to investigate or defend.** We'll have the right to defend any protected person against a claim or suit for injury, damage, or

loss covered by this agreement. We'll also have the right to investigate any claim or suit to the extent that we believe is proper. We may exercise such rights even if:

- all of the allegations of the claim or suit are groundless, false, or fraudulent; or
- the total amount of the damages and claim expenses for such injury, damage, or loss probably won't exceed a self-insured retention that applies.

...

However, we have no duty to defend any claim or suit or perform other acts or services. In addition, our right to defend protected persons against claims or suits **ends** when the limits of coverage that apply have been used up with the payment of:

- judgments;
- settlements; or
- indemnitee defense expenses assumed under contract.

Policy Form OL023 Ed. 8-98, p. 22.

### **Self-Insured Retentions**

The self-insured retentions shown in the Coverage Summary and the information contained in this section fix the amount of damages and claim expenses which you'll be required to pay, and over which the limits of coverage will apply in accordance with the Limits Of Coverage section, regardless of the number of:

- protected persons;
- claims made or suits brought; or
- persons or organizations making claims or bringing suits.

**Each accident, event, offense, or wrongful act retention.** This is the amount that you will be required to pay for the combined total of:

...

- all covered bodily injury and property damage that results from any one event;
- all covered personal injury or advertising injury that's caused by all personal injury or advertising injury offenses committed in a policy year;

...

**Payments over a self-insured retention.** We must be consulted prior to any payments being made or agreed to that erode the limits of coverage. If you settle or make payments on a claim where damages or claim expenses exceed the self-insured retention without first notifying or consulting with us, we will consider those voluntary payments to be your responsibility.

Policy Form OL023 Ed. 8-98, p. 11.

### **Who Is Protected Under This Agreement**

**Public entity or other organization.** If you are shown in the Introduction as a named insured and a public entity or other organization, you are a protected person...

**Elected or appointed officials and members.** Any of your elected or appointed officials, directors, or executive officers, or members of any of your agencies, boards, or commissions, are protected persons only for the conduct of their duties as your elected or appointed officials, directors, executive officers, or members.

**Employees and volunteer workers.** Your employees are protected persons only for:

- work done within the scope of their employment by you;
- their performance of duties related to your operations; or

**Student Teachers.** Any student teacher teaching for you as part of their educational requirements is a protected person, but only for covered injury or damage that results from activities or work they conduct or perform:

- at your direction; and
- within the scope of their duties for you.

...

Policy Form OL023 Ed. 8-98, p. 7, as amended by Form OL104 Ed. 10-02.

66. The PELP coverage part of the 9/01/2003 – 09/01/2004 St. Paul Pool Policy contains the following endorsement regarding “other insurance”:

### **Other Insurance**

If there is any other valid and collectible insurance for property damage covered by this agreement, we will apply this agreement as excess insurance over such other insurance.

**Other insurance** means insurance, or the funding of losses, that is provided by:

- another insurance company;
- a risk retention group;
- a self-insurance method or program, other than any funded by the insured and over which this agreement applies; or
- any similar risk transfer or risk management method.

**Excess insurance.** When this agreement is excess insurance over any other insurance, our policy will pay damages in excess of:

- the total amount that all such other insurance would pay if this clause did not exist; and
- the total of all deductible and self-insured amounts under all such other insurance.

**Other Terms.** All other terms of your policy remain the same.

OL023 Ed. 8-98, p. 26-27, as amended by Public Entity Liability Protection Pooling Groups Other Insurance Endorsement OL089 Ed. 10-02.

67. The PELP coverage part of the 09/01/2004 – 09/01/2005 St. Paul Pool Policy contains the following endorsement regarding “other insurance:”

This endorsement changes your Public Entity Liability Protection Pooling Groups – Excess of Self-Insured Retention.

...

**Other Insurance**

If there is any other valid and collectible insurance for injury or damage covered by this agreement, we will apply this agreement as excess insurance over such other insurance.

Policy Form OL089 Rev. 2-03.

68. The PELP coverage parts of the 09/01/2005 – 09/01/2009 St. Paul Pool Policies contain the following endorsement regarding “other insurance:”

This endorsement changes your Public Entity Liability Protection Pooling Groups – Excess of Self-Insured Retention.

...



**Other Insurance**

If there is any valid and collectible other insurance for injury or damage covered by this agreement, we'll apply this agreement as excess insurance over such other insurance.

Policy Form OL089 Rev. 1-04.

**b. The "Administration Liability Protection — Claims-Made" Coverage Part**

69. The St. Paul Pool Policies also contain the following coverage part:

**"Washington Schools Educational Institution Administration Liability Protection — Claims-Made "** (hereinafter referred to as the "ALP coverage part").

PM006 Ed. 5-95.

70. Each ALP coverage part of the St. Paul Pool Policies has a Self-Insured Retention of \$100,000 for "each wrongful act."

71. Each ALP coverage part of the St. Paul Pool Policies, except for the 09/01/2008 – 09/01/2009 St. Paul Pool Policy, has a wrongful act limit of \$20,000,000.

72. The ALP coverage part of the 09/01/2008 – 09/01/2009 St. Paul Pool Policy has a wrongful act limit of \$25,000,000.

73. Each ALP coverage part of the St. Paul Pool Policies, except for the 09/01/2008 – 09/01/2009 St. Paul Pool Policy, also has a \$20,000,000 total limit.

74. The ALP coverage part of the 09/01/2008 – 09/01/2009 St. Paul Pool Policy has a \$25,000,00 total limit.

75. The ALP coverage part of the St. Paul Pool Policies contains the following insuring agreement:

**Educational institution administration liability.** We'll pay amounts any protected person is legally required to pay as damages for covered loss that:

- results from the conduct of duties by or for an educational institution; and
- is caused by a wrongful act committed on or after the retroactive date and before this agreement ends.

PM006 Ed. 5-95, p. 2.

76. The ALP coverage part of the St. Paul Pool Policies contains the following definitions that are applicable to the ALP Insuring Agreement.

*Protected person* means any person or organization who qualifies as a protected person under the Who Is Protected Under This Agreement section.

*Wrongful act* means any negligent act, error or omission. It includes any:

- misstatement or misleading statement; or
- neglect or breach of duty.

...

*Claim* means a demand that seeks damages.

*Suit* means a civil proceeding that seeks damages. It includes:

- an arbitration proceeding for damages to which the protected person must submit or submits with our consent; and
- any other alternative dispute resolution proceeding for damages to which the protected person submits with our consent.

*Suit* does not include an administrative hearing or proceeding.

PM006 Ed. 5-95, p. 2, as amended by OL030 Ed. 8-98.

77. In addition to the foregoing, the ALP coverage part of the St. Paul Pool Policies specifically contains the following Notice in the header of the coverage form:

**Important note:** This is a claims-made insuring agreement with claim expenses within the limits of coverage and the self-insured retention. The limits of coverage apply over the self-insured retention.

Claims or suits must be reported during the policy period, or a reporting period if applicable, to be covered. Please read this agreement carefully, especially the What This Agreement Covers, When This Agreement Covers and Limits Of Coverage sections.

PM006 Ed. 5-95, p.1.

78. The ALP coverage part of the St. Paul Pool Policies contains the following provisions relating to this coverage part:

**When This Agreement Covers**

**During the policy period or limited reporting period.** We'll apply this agreement to claims or suits for covered loss only when they're first made or brought:

- while this agreement is in effect; or
- during the limited reporting period if it applies.

*Limited reporting period* means the 60 days, starting with the end of this agreement, during which claims or suits for covered loss caused by a wrongful act committed before this agreement ends may be first made or brought.

**When we consider a claim or suit to be first made or brought.** We'll consider a claim or suit for covered loss to be first made or brought on the earliest of the following dates:

- The date that we, your claim handling service or any protected person receives a written claim or a notice of suit.
- The date that we or your claim handling service receive a notice of a wrongful act from any protected person. However, we or your claim handling service won't accept such a notice unless it also describes what loss may result from the wrongful act.

We'll also consider all claims or suits from covered loss caused by a wrongful act, or a series of related wrongful acts, to have been made or brought on the date that the first of those claims or suits was first made or brought.

1           *Series of related wrongful acts* means two or more wrongful acts,  
2           including repeated or continuous wrongful acts, that are related to  
3           the same loss.

PM006 Ed. 5-95, pp. 4-5.

4           79.     The ALP coverage part of the St. Paul Pool Policies contains the following  
5           provisions relating to who is protected under the ALP coverage part:

6                     **Who is Protected Under This Agreement**

7                     **Educational institution.** If you are an educational institution  
8                     named in the Introduction, you are a protected person. But only  
9                     for the conduct of duties for you.

10                    **Trustees, board members or commissioners.** Your trustees,  
11                    board members or commissioners are protected persons. But only  
12                    for the conduct of their duties for you.

13                    **Employees.** Your employees are protected persons. But only for  
14                    the conduct of their duties for you.

15                    *Your employees* include teachers, student teachers and teacher  
16                    aids.

17                    ...

PM006 Ed. 5-95, p. 5.

18                    c.     **St. Paul Pool Policy Language Applicable To Both the PELP and ALP**  
19                    **Coverage Parts**

20           80.     The 09/01/2003 – 09/01/2004 St. Paul Pool Policy contains the following policy  
21           language applicable to all coverage parts:

22                    **WHAT TO DO IF YOU HAVE A LOSS**

23                    You or other protected persons are required to perform the duties  
described below when a property loss that may be covered under  
this policy happens or an accident or incident happens that could  
result in liability damages covered under this policy. Failure to  
comply could affect coverage. The insuring agreements contained  
in this policy determine what is covered. As a result, you should  
read them carefully to understand the extent of the coverage  
provided.

...

## When This Policy Provides Liability Protection

If an accident or incident happens that may involve liability protection provided in this policy, you or any other protected person involved must:

1. Notify the police if a law may have been broken.
2. Tell us or our agent what happened as soon as possible. Do this even though no demand for damages has been made against you or any other protected person, but you or another protected person is aware of having done something that may later result in a demand for damages. This notice should include all of the following:
  - The time and place of the accident or incident;
  - The protected person involved;
  - The specific nature of the accident or incident including the type of demand for damages that may result; and
  - The names and addresses of any witnesses and injured people.

### *Important Notice For Health Care Providers*

If your policy includes one of our claims-made medical professional liability protection insuring agreements, you should also read the When This Agreement Covers Section of that agreement. We won't consider a "Patient Incident Report," "Variance Report," or any other report made for loss prevention purposes to be your report of a claim. This applies even if you send it to us or one of our agents.

3. Send us a copy of all written demands. Also send us a copy of all legal documents if someone starts a lawsuit.
4. Cooperate and assist us in securing and giving evidence, attending hearings and trials, and obtaining the attendance of witnesses.
5. Not assume any financial obligation or pay out any money without our consent. But this rule doesn't apply to first aid given to others at the time of an accident.

Policy Form 40814 Ed. 11-91.

81. The St. Paul Pool Policies, other than the 09/01/2003-09/01/2004 St. Paul Pool Policy, contain the following policy language applicable to all coverage parts:

**WHAT TO DO IF YOU HAVE A LOSS**

This form applies if:

...

- your policy provides any liability protection and there's an accident, act, error, event, incident, offense, or omission that may result in damages or other amounts which may be covered under that protection.

Coverage under your policy may be affected by any failure to fulfill any of the duties described in this form.

However, neither this form, nor any of these duties, change or eliminate any coverage condition or requirement, or exclusion or other coverage limitation, anywhere in the rest of your policy, such as:

- a specific coverage trigger, reporting, notice, or knowledge condition or requirement; or
- an exclusion or other coverage limitation that's based, all or in part, on knowledge.

This form and the rest of your policy should be read carefully to determine:

- the extent of the coverage provided by your policy; and
- the rights and duties of you and any other person or organization protected under your policy.

**If Your Policy Provides Liability Protection**

If your policy provides liability protection and there's an accident, act, error, event, incident, offense, or omission that may result in damages or other amounts which may be covered under that protection, you or any other person or organization protected under your policy must do all of the following in connection with that accident, act, error, event, incident, offense, or omission:

1. As soon as possible after having knowledge of the accident, act, error, event, incident, offense, or omission, tell us or one of our authorized representatives what happened. Do this even if no demand against you or any other person or organization protected under your policy has been made.

Include all of the following information that's reasonably available:

- The time, place, and specific nature of the accident, act, error, event, incident, offense, or omission.
- The type of demand that has been or may be made against you or any other person or organization protected under your policy.
- The name and address of each person or organization that may make a claim or bring a suit.
- The name and address of each person who may be a witness.
- The name and address of each person or organization that may be involved and is protected under your policy.

Our United States of America (USA) Claim Call Center is available from anywhere in the USA at any time at the following toll-free telephone number to tell us this information:

1-800-787-2851

Also, our Internet web site is available from anywhere at any time at the following address to tell us this information:

[www.travelers.com](http://www.travelers.com)

However, neither we nor any of our authorized representatives need to be told of an accident, act, error, event, incident, offense, or omission that first involves your workers compensation insurance unless the liability protection provided by your policy is likely to be involved.

...

3. As soon as possible after receiving them, mail, deliver, or otherwise give to us a copy of:

- all written demands made; and
- all legal documents relating to any suit brought;

against you or any other person or organization protected under your policy.

4. Cooperate with and, when requested, assist us in:

- securing and giving evidence;
- attending hearings and trials;
- obtaining the attendance of witnesses; and
- taking other reasonable steps to help us investigate or settle, or defend a person or organization protected under your policy against, a claim or suit.

5. Not assume any financial obligation or pay out any money, other than for first aid given to others at the time of an accident, without our consent.

**When we consider you to have knowledge of an accident, act, error, event, incident, offense, or omission**

If you're an organization, we'll consider you to have knowledge of an accident, act, error, event, incident, offense, or omission only if any person has knowledge of it while he or she is your:

- appointed or elected official if you're a public entity or tribal government;
- employee, or authorized person, with a duty given by you to tell us, one of our authorized representatives, or any of the persons described above, about that accident, act, error, event, incident, offense, or omission.

We'll also consider you to have knowledge of an accident, act, error, event, incident, offense, or omission if any person has knowledge of it while he or she is that organization's:

...

- appointed or elected official if it's a public entity or tribal government; or

...

**When we consider other persons or organizations to have knowledge of an accident, act, error, event, incident, offense, or omission.** We'll consider any person or organization protected under your policy, other than you, to have knowledge of an accident, act, error, event, incident, offense, or omission if you or any of the persons described in the When we consider you to



have knowledge of an accident, act, error, event, incident, offense.

Policy Form 40814 Rev. 8-03.

82. The 9/1/2003 – 9/1/2007 St. Paul Pool Policies contain the following policy endorsement:

Public Entity Liability Protection Pooling Groups  
Sexual Abuse Sublimit Endorsement - With General Total  
Sublimit And Total Maximum Total Limit

---

This endorsement changes your Public Entity Liability Protection Pooling Groups - Excess of Self-Insured Retention

How Coverage Is Changed

There are five changes which are explained below.

1. The following is added to the Each accident, event, offense, or wrongful act limit section. This change limits coverage.

The Each accident, event, offense, or wrongful act limit doesn't apply to covered bodily injury or personal injury that results from sexual abuse committed by any person who otherwise qualifies as a protected person. Instead, the sexual abuse each person limit applies. We explain that limit in the Sexual abuse each person limit section.

2. The following is added to the Limits Of Coverage section. This change limits coverage.

Sexual abuse each person limit. This is shown in the Coverage Summary. It is the most we'll pay for all covered bodily injury and personal injury which result from all sexual abuse that:

- \* is sustained by any one person; and
- \* is committed in a policy year by all persons who otherwise qualify as protected person.

If the amount of this limit is not shown in the Coverage Summary, it will be considered to be the same as \$1,000,000.

- 1           3.     The following is added to the General total limit section.  
2                 This change limits coverage.

3                 The most we'll pay for covered bodily injury and personal  
4                 injury that. result from sexual abuse is further limited by  
5                 the following:

6                 Sexual abuse total limit. This limit is shown in the  
7                 Coverage Summary. It is the most we'll pay for the  
8                 combined total of all covered bodily injury and personal  
9                 injury which result from all sexual abuse that:

- 10                \*       is sustained by all persons; and  
11                \*       is committed in a policy year by all persons who  
12                otherwise qualify as protected persons.

13                If the amount of this limit is not shown in the Coverage  
14                Summary, it will be considered to be the same as  
15                \$1,000,000.

- 16           4.     The following is added to the Limits Of Coverage  
17                 section. This change limits coverage.

18                 Pool maximum sexual abuse limit. This limit is shown in  
19                 the Coverage Summary. It is the most we'll pay for all  
20                 members in a policy term for the combined total of all  
21                 covered bodily injury and personal injury which result  
22                 from all sexual abuse that:

- 23                \* is sustained by all persons; and  
                  \* is committed in a policy year by all persons who  
                  otherwise qualify as protected persons.

                  We'll consider all sexual abuse that:

- \* is sustained by any one person, and  
                  \* is committed while this agreement is in effect by all  
                  persons who otherwise qualify as protected person;  
                  to have been committed before this agreement begins if  
                  such person has also sustained sexual abuse that was  
                  committed before this agreement begins by any person  
                  who otherwise qualifies as a protected person.

                  The pool maximum sexual abuse limit applies regardless  
                  of the number of members shown in the Named Insured  
                  Continued Endorsement.

If the amount of this limit is not shown in the Coverage Summary, it will be considered to be the same as \$10,000,000.

5. The following is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.

Sexual abuse covered by other insurance written by us. We won't cover injury or damage that results from any illegal or offensive physical act or contact or contact of a sexual nature committed against a minor or other person who is incompetent if such injury or damage is covered under a Sexual Abuse Liability Protection - Claims-Made insuring agreement written by us and issued to Highline School District #401.

#### Other Terms

All other terms of your policy remain the same.

40502 Ed.1-80.

83. The 9/1/2007 – 9/1/2008 St. Paul Pool Policy and the 9/1/2008 – 9/1/2009 St. Paul Pool Policy and the 9/1/2008-9/1/2009 St. Paul Pool Policy contain the following policy endorsement:

#### **SCHOOLS INSURANCE ASSOCIATION OF WASHINGTON SEXUAL ABUSE SUBLIMIT ENDORSEMENT - WITH GENERAL TOTAL SUBLIMIT**

This endorsement changes your Public Entity Liability Protection Pooling Groups - Excess of Self-Insured Retention

#### **How Coverage Is Changed**

There are five changes which are explained below.

1. The following is added to the Each accident, event, offense, or wrongful act limit section. This change limits coverage.

The Each accident, event, offense, or wrongful act limit doesn't apply to covered bodily injury or personal injury that results from sexual abuse committed by any person

who otherwise qualifies as a protected person. Instead, the sexual abuse each person limit applies. We explain that limit in the Sexual abuse each person limit section.

2. The following is added to the Limits Of Coverage section. This change limits coverage.

**Sexual abuse each person limit.** This limit is shown in the Coverage Summary. It is the most we'll pay for all covered bodily injury and personal injury which result from all sexual abuse that:

- is sustained by any one person; and
- is committed in a policy year by all persons who otherwise qualify as protected person.

We'll consider all sexual abuse that:

- is sustained by any one person; and
- is committed while this agreement is in effect by all persons who otherwise qualify as protected persons;

to have been committed before this agreement begins if such person has also sustained sexual abuse that was committed before this agreement begins by any person who otherwise qualifies as a protected person.

If the amount of this limit is not shown in the Coverage Summary, it will be considered to be the same as \$1,000,000.

3. The following is added to the General total limit section. This change limits coverage.

The most we'll pay for covered bodily injury and personal injury that result from sexual abuse is further limited by the following:

**Sexual abuse total limit.** This limit is shown in the Coverage Summary. It is the most we'll pay for the combined total of all covered bodily injury and personal injury which result from all sexual abuse that:

- is sustained by all persons; and
- is committed in a policy year by all persons who otherwise qualify as protected persons.

•

We'll consider all sexual abuse that:

- is sustained by any one person; and

- is committed while this agreement is in effect by all persons who otherwise qualify as protected persons;

to have been committed before this agreement begins if such person has also sustained sexual abuse that was committed before this agreement begins by any person who otherwise qualifies as a protected person.

If the amount of this limit is not shown in the Coverage Summary, it will be considered to be the same as \$1,000,000.

*Sexual abuse* means any illegal or offensive physical act or contact of a sexual nature.

We explain what we mean by protected person in the What This Agreement

4. The following is added to the Limits Of Coverage section. This change limits coverage.

**Pool maximum sexual abuse limit.** This limit is shown in the Coverage Summary. It is the most we'll pay for all members in a policy term for the combined total of all covered bodily injury and personal injury which result from all sexual abuse that:

- is sustained by all persons;
- is committed in a policy year by all persons who otherwise qualify as protected persons.

We'll consider all sexual abuse that:

- is sustained by any one person; and
- is committed while this agreement is in effect by all persons who otherwise qualify as protected persons;

to have been committed before this agreement begins if such person has also sustained sexual abuse that was committed before this agreement begins by any person who otherwise qualifies as a protected person.

The pool maximum sexual abuse limit applies regardless of the number of members shown in the Named Insured Continued Endorsement.

If the amount of this limit is not shown in the Coverage Summary, it will be considered to be the same as \$10,000,000.

5. The following is added to the Exclusions - What This Agreement Won't Cover section. This change excludes coverage.

**Sexual abuse covered by other insurance written by us.** We won't cover injury or damage that results from any illegal or offensive physical act or contact of a sexual nature committed against a minor or other person who is incompetent if such injury or damage is covered under a Sexual Abuse Liability Protection -Claims-Made insuring agreement written by us and issued to Highline School District #401.

...

Form PS096 Ed. 9-05.

84. The 09/01/2003 - 09/01/2007 St. Paul Pool Policies contain the following policy endorsement:

**PUBLIC SECTOR SERVICES MULTIPLE SELF-INSURED RETENTIONS ENDORSEMENT**

This endorsement changes your policy.

**How Coverage Is Changed**

The following is added.

**How multiple self-insured retentions apply to the same loss.**

If two or more self-insured retentions in this policy apply to the same covered loss, we'll apply only the largest of those retentions to that loss.

...

Form 47661 Ed.1-95.

85. The 9/01/2007 – 9/01/2008 St. Paul Pool Policy and the 9/01/2008 – 9/01/2009 St. Paul Pool Policy contains the following policy endorsement:

**PUBLIC SECTOR SERVICES  
MULTIPLE SELF-INSURED RETENTIONS**

This endorsement changes your policy.

### How Coverage Is Changed

The following is added. This change limits the number of self-insured retentions you'll be responsible for paying when two or more of those retentions apply to the same injury, damage, or loss. This change broadens coverage.

**How multiple self-insured retentions apply to the same injury, damage, or loss.** If two or more self-insured retentions in this policy apply to the same amounts for covered injury, damage, or loss, you'll only be responsible for paying the largest of those retentions.

...

Form D0126 Ed. 6-06.

#### **4. The SIAW Policies**

86. On information and belief, SIAW issued successive one-year policies to the District from September 1, 2009 through present date (the "SIAW policies").

87. On information and belief, the SIAW policies provide substantially the same or similar coverage as provided by the St. Paul Policies.

#### **5. The Atlantic Mutual Policies**

88. On information and belief, Atlantic Mutual Insurance Company ("Atlantic Mutual") issued successive one-year policies to the District from 1995 through 2000 (the "Atlantic Mutual policies").

89. On information and belief, the Atlantic Mutual policies provide substantially the same or similar coverage as provided by the St. Paul Policies.

90. On information and belief, Atlantic Mutual was placed into liquidation and the New York Superintendent of Insurance was appointed as Liquidator on April 27, 2011, by order of the Supreme Court of the State of New York.

1       **IV.     THERE IS AN ACTUAL AND JUSTICIABLE CONTROVERSY AS TO**  
2                                   **ST. PAUL'S COVERAGE OBLIGATIONS**

3               **1.       *The St. Paul CGL Policies***

4               91.     There is no coverage available to the District under the St. Paul Policies for the  
5               claims asserted or the damages sought in the Underlying Lawsuit.

6               92.     The CGL Coverage parts of the St. Paul Policies provide coverage for amounts  
7               protected persons are legally required to pay as damages for covered *bodily injury* that happens  
8               while the Policies are in effect and is caused by an *event*.

9               93.     There is an actual and justiciable controversy whether the District is legally  
10              required to pay for the damages alleged in the Underlying Lawsuit.

11             94.     There is an actual and justiciable controversy whether the allegations against the  
12             District in the Underlying Lawsuit concern *bodily injury*, as that term is defined, that happened  
13             while the St. Paul Policies were in effect.

14             95.     The CGL Coverage parts of the October 1, 2001 – October 1, 2003 St. Paul  
15             Policies provide that *bodily injury* that is a continuation, change, or resumption of previously  
16             known bodily injury happening before the October 1, 2001 – October 1, 2003 St. Paul Policies  
17             will be considered to have happened prior to the October 1, 2001 – October 1, 2003 St. Paul  
18             Policies if such continuation, change, or resumption would otherwise be covered by this  
19             agreement because of a continuous, multiple, or other coverage trigger required under the law  
20             that applies.

21             96.     There is an actual and justiciable controversy whether the allegations against the  
22             District in the Underlying Lawsuit concern *bodily injury*, as that term is defined, that is a  
23             continuation, change, or resumption of *previously known bodily injury* happening before the  
              October 1, 2001 – October 1, 2003 Policies.



1           97.     There is an actual and justiciable controversy whether the damages at issue in  
2 the Underlying Lawsuit concern a *previously known bodily injury* as defined by the October 1,  
3 2001 – October 1, 2003 St. Paul Policies.

4           98.     The CGL Coverage parts of the St. Paul Policies provide coverage for amounts  
5 *protected persons* are legally required to pay as damages for covered *personal injury* that  
6 results from business activities and is caused by a *personal injury offense* committed while this  
7 agreement is in effect.

8           99.     There is an actual and justiciable controversy whether the District is required to  
9 pay damages for the claims at issue in the Underlying Lawsuit.

10          100.    There is an actual and justiciable controversy whether the allegations asserted  
11 against the District in the Underlying Lawsuit amount to *personal injury* as defined by the St.  
12 Paul Policies.

13          101.    There is an actual and justiciable controversy whether the allegations asserted  
14 against the District in the Underlying Lawsuit concern *personal injury* caused by a *personal*  
15 *injury offense* committed while this agreement is in effect.

16          102.    Pursuant to the CGL Coverage parts of the St. Paul Policies, St. Paul has the  
17 right and duty to defend *protected persons* against a *claim* or *suit* for *injury* or *damage* covered  
18 by this agreement.

19          103.    There is an actual and justiciable controversy whether the allegations asserted  
20 against the District in the Underlying Lawsuit trigger St. Paul's defense obligation to the  
21 District.

22          104.    The CGL Coverage parts of the St. Paul Policies exclude coverage for *injury* or  
23 *damage* that results from a *protected person* knowingly breaking any criminal law or any

1 person or organization breaking any criminal law with the consent or knowledge of the  
2 *protected person*.

3 105. There is an actual and justiciable controversy whether the allegations asserted  
4 against the District in the Underlying Lawsuit arise from the District or any *protected person*  
5 deliberately breaking the law.

6 106. The CGL Coverage parts of the St. Paul Policies exclude coverage for *bodily*  
7 *injury or property damage* that's expected or intended by the *protected person*.

8 107. There is an actual and justiciable controversy whether the allegations asserted  
9 against the District in the Underlying Lawsuit arise from *bodily injury or property damage* that  
10 was expected or intended by the District or any *protected person*.

11 108. In the event that the CGL Coverage parts of the St. Paul Policies are triggered by  
12 the allegations asserted against the District in the Underlying Lawsuit, the coverage afforded by  
13 the St. Paul Policies may be primary, co-primary, or excess to other available insurance.

14 109. In the event that the CGL Coverage parts of the St. Paul Policies are triggered by  
15 the allegations asserted against the District in the Underlying Lawsuit, there is an actual and  
16 justiciable controversy whether the coverage afforded by the St. Paul Policies may be primary,  
17 co-primary, or excess to other available insurance.

18 110. The October 1, 2001 – October 1, 2003 St. Paul Policies exclude coverage for  
19 *bodily injury, personal injury, or medical expenses* that result from any sexual abuse committed  
20 by any person who otherwise qualifies as a *protected person*.

21 111. There is an actual and justiciable controversy whether the allegations asserted  
22 against the District in the Underlying Lawsuit concern *bodily injury* that resulted from any  
23 sexual abuse committed by any person who otherwise qualifies as a *protected person*.

1           112. The St. Paul Policies require that the District cooperate with St. Paul in the event  
2 of any loss or claim.

3           113. There is an actual and justiciable controversy whether the District has satisfied  
4 its duty of cooperation with St. Paul.

5           114. The above list of policy provisions, conditions, endorsements, and exclusions is  
6 not an exhaustive list of all potentially applicable provisions, conditions, endorsements, and  
7 exclusions. St. Paul reserves the right to later amend this Complaint or later address such other  
8 policy provisions, conditions, endorsements, and exclusions as may become relevant or  
9 necessary.

10           **2.       *The St. Paul Pool Policies***

11           115. There is no coverage available to the District under the St. Paul Pool Policies for  
12 the damages sought damages sought from in the Underlying Lawsuit.

13           116. The PELP and ALP coverage parts of the St. Paul Pool Policies require  
14 protected persona to take certain actions.

15           117. There is an actual and justiciable controversy whether the District and/or SIAW  
16 have fulfilled their duties to St. Paul with respect to the claims at issue in the Underlying  
17 Lawsuit.

18           118. The insuring agreement of the PELP coverage part of the St. Paul Pool Policies  
19 provides coverage for *bodily injury* or *property damage* that is caused by a covered *event*,  
20 provided that the *bodily injury* or *property damage* occurs during a St. Paul Policy period.

21           119. There is an actual and justiciable controversy as to whether any of the damages  
22 sought from the District involve claims for *bodily injury* as that term is defined in the St. Paul  
23 Pool Policies.

1           120. There is an actual and justiciable controversy as to whether any of the damages  
2 sought from the District involve an *event* as that term is defined by the PELP coverage part of  
3 the St. Paul Pool Policies.

4           121. There is an actual and justiciable controversy as to whether the District has  
5 liability for *bodily injury* caused by a covered *event* as those terms are defined by the PELP  
6 coverage part of the St. Paul Pool Policies.

7           122. There is an actual and justiciable controversy as to whether any *bodily injury*  
8 that was allegedly caused by a covered *event* occurred during any St. Paul Pool Policy period.

9           123. The PELP coverage part of the St. Paul Pool Policies provides coverage for  
10 amounts that an insured is legally obligated to pay as damages for *personal injury* that is caused  
11 by a *personal injury offense* which happens during a St. Paul Pool Policy period.

12           124. There is an actual and justiciable controversy as to whether any of the damages  
13 sought from damages sought from the District involve claims for *personal injury* as that term is  
14 defined by the PELP coverage part of the St. Paul Pool Policies.

15           125. To the extent that the damages sought from damages sought from the District  
16 involve claims for the recovery of *personal injury* damages, there is an actual and justiciable  
17 controversy as to whether such damages were caused by a *personal injury offense* as that term  
18 is defined by the PELP coverage part of the St. Paul Pool Policies.

19           126. To the extent that damages sought from the District involve claims for *personal*  
20 *injury*, there is an actual and justiciable controversy as to whether such claims resulted in  
21 damages, which is required to implicate coverage for a *personal injury offense*.

22           127. To the extent that the damages sought from the District involve claims for  
23 *personal injury* caused by a *personal injury offense*, there is an actual and justiciable

1 controversy as to whether such claims were caused *personal injury offense* that happened  
2 during any St. Paul Pool Policy period.

3 128. To the extent that the insuring agreement of the PELP coverage part of the St.  
4 Paul Pool Policies is applicable to any of the damages sought in the Underlying Lawsuit, the  
5 PELP coverage part contains exclusions that may preclude coverage for some or all of the  
6 damages sought in the Underlying Lawsuit.

7 129. Pursuant to the PELP coverage part of the St. Paul Pool Policies, coverage is  
8 excluded for liability that results from the District or its personnel deliberately breaking the  
9 law.

10 130. There is an actual and justiciable controversy as to whether any of the damages  
11 sought from the District in the Underlying Lawsuit result from the District or its personnel  
12 deliberately breaking the law.

13 131. Pursuant to the PELP coverage part of the St. Paul Pool Policies, coverage is  
14 excluded for any *bodily injury* or *property damage* that was expected or intended from the  
15 standpoint of the District.

16 132. There is an actual and justiciable controversy to whether any of the damages  
17 sought from the District in the Underlying Lawsuit arise from *bodily injury* or *property damage*  
18 that was expected or intended from the standpoint of the District.

19 133. Pursuant to the PELP coverage part of the St. Paul Pool Policies, coverage is  
20 excluded for any punitive damages awarded as a part of a judgment or agreed to as part of a  
21 settlement.

22 134. There is an actual and justiciable controversy as to whether the PELP coverage  
23 part of the St. Paul Pool Policies provides coverage for any punitive damages.

1           135. To the extent that some or all of the damages sought in the Underlying Lawsuit  
2 are within the scope of the PELP coverage part of the St. Paul Pool Policies, there is an actual  
3 and justiciable controversy as to whether St. Paul has or had any duty to defend the District  
4 under the PELP coverage part of the St. Paul Pool Policies in the Underlying Lawsuit.

5           136. The PELP coverage part of the St. Paul Pool Policies contains a \$100,000 self-  
6 insured retention (hereinafter “SIR”) for “each accident, event, offense, or wrongful act.”

7           137. To the extent the District has liability in the Underlying Lawsuit arising from  
8 separate accidents, events, offenses, or wrongful acts, there is an actual and justiciable  
9 controversy as to whether the District is obligated to satisfy an SIR for each such separate  
10 accident, event, offense, or wrongful act.

11           138. There is an actual and justiciable controversy as to whether the District’s SIR  
12 obligations under the PELP coverage part can be satisfied in whole or part by payment(s) from  
13 third parties.

14           139. No individual officials and/or employees of the District are named as defendants  
15 in the Underlying Lawsuit.

16           140. To the extent that individuals are named as defendants in the Underlying  
17 Lawsuit, there is an actual and justiciable controversy whether such individuals qualify as  
18 *protected persons* under the PELP coverage part of the St. Paul Pool Policies.

19           141. Pursuant to the PELP coverage part of the St. Paul Pool Policies, coverage is  
20 only potentially afforded if the liability of such individuals arises out of the performance of  
21 their duties as elected or appointed officials or in the course and scope of their employment  
22 with the District.  
23

1           142. There is an actual and justiciable controversy as to whether any damages will be  
2 sought from individuals and officials and/or employees of the District and whether such  
3 potentially liability arises out of the performance of their duties as elected or appointed officials  
4 or in the course and scope of their employment with the District.

5           143. Pursuant to the PELP coverage part, to the extent that there is other valid and  
6 collectible insurance available to the District for purposes of the claims asserted in the  
7 Underlying Lawsuit, the coverage provided under the PELP coverage part of the St. Paul Pool  
8 Policies is excess over proper exhaustion of the applicable limits of such other insurance.

9           144. To the extent that the St. Paul Pool Policies provide coverage, there is an actual  
10 and justiciable controversy as to whether the PELP coverage is excess over other insurance.

11           145. The insuring agreement of the ALP coverage part provides coverage for  
12 amounts that an insured becomes legally liable to pay as damages for loss that results from the  
13 conduct of duties by or for an educational institution and is caused by a *wrongful act* committed  
14 on or after the retroactive date and before this agreement ends.

15           146. There is an actual and justiciable controversy as to whether any of the damages  
16 sought from the District involve a *wrongful act* as that term is defined in the ALP coverage part  
17 of the St. Paul Pool Policies.

18           147. To the extent that the damages sought from the District involve a *wrongful act*,  
19 there is an actual and justiciable controversy as to whether such *wrongful act* was committed on  
20 or after the retroactive date and before the expiration of the applicable St. Paul Pool Policy  
21 period.

22           148. There is an actual and justiciable controversy as to whether any of the damages  
23 sought from the District involve conduct of duties on behalf of an educational institution.

149. The ALP coverage part of the St. Paul Pool Policies requires that claims or suits be reported during the policy period, or a reporting period if applicable.

150. There is an actual and justiciable controversy as to whether any claim or suit was made against and/or reported by the District during an applicable St. Paul Pool Policy period, or a reporting period if applicable.

151. The St. Paul Pool Policies exclude coverage for *bodily injury* and *personal injury* that result from any sexual abuse (1) committed by any person who otherwise qualifies as a *protected person*; and (2) which is considered a covered loss under St. Paul Policy No. GG06300165.

152. There is an actual and justiciable controversy whether the claims asserted against the District in the Underlying Lawsuit concern *bodily injury* or *personal injury* that resulted from sexual abuse committed by a *protected person* which would otherwise be covered loss under St. Paul Policy No. GG06300165.

153. The St. Paul Pool Policies contain endorsements limiting the sexual abuse each person limit, the sexual abuse total limit, and the pool maximum sexual abuse limit when sexual abuse has been committed by a *protected person* in a policy year.

154. There is an actual and justiciable controversy whether the claims asserted against the District in the Underlying Lawsuit are the result sexual abuse committed by a *protected person* in a policy year, thus limiting the sexual abuse each person limit, the sexual abuse total limit, and the pool maximum sexual abuse limit under the St. Paul Pool Policies.

155. Pursuant to the St. Paul Pool Policies, if two or more self-insured retentions apply to the same covered loss, injury, or damage, the District may be responsible for paying the larger or the largest of such retentions.



1           156. There is an actual and justiciable controversy whether the claims asserted  
2 against the District in the Underlying Lawsuit implicate two or more self-insured retentions.

3           157. St. Paul reserves the right to assert any other exclusions or grounds for which  
4 coverage for the damages sought from the District may be excluded under the St. Paul Policies.

5                           **VI. FIRST CAUSE OF ACTION – DECLARATORY RELIEF**  
6   (Against the District)

7           158. St. Paul incorporates by reference as though fully set forth herein, and restates  
8 and re-alleges each of the paragraphs 1 through 157 above.

9           159. St. Paul is entitled to Declaratory Judgment in its favor, specifically including a  
10 judicial determination that it does not owe any coverage obligations to the District under the  
11 CGL coverage parts of the St. Paul Policies for the claims asserted against the District in the  
12 Underlying Lawsuit.

13           160. St. Paul is entitled to Declaratory Judgment in its favor, specifically including a  
14 judicial determination that it does not owe any coverage obligations to the District under the  
15 PELP coverage parts of the St. Paul Pool Policies for the claims asserted against the District in  
16 the Underlying Lawsuit.

17           161. St. Paul is entitled to Declaratory Judgment in its favor, specifically including a  
18 judicial determination that it does not owe any coverage obligations to the District under the  
19 ALP coverage parts of the St. Paul Pool Policies for the claims asserted against the District in  
20 the Underlying Lawsuit.

21                           **VIII. PRAYER FOR RELIEF**

22           1. For a declaration that St. Paul owes no defense obligation to the District with  
23 respect to the Underlying Lawsuit under the CGL coverage parts of the St. Paul Policies.

2. For a declaration that St. Paul owes no defense obligation to the District with respect to the Underlying Lawsuit under the PELP coverage parts of the St. Paul Pool Policies.

3. For a declaration that St. Paul owes no defense obligation to the District with respect to the Underlying Lawsuit under the ALP coverage parts of the St. Paul Pool Policies.

4. For a declaration that St. Paul owes no indemnity obligation to the District with respect to the Underlying Lawsuit under the CGL coverage parts of the St. Paul Policies.

5. For a declaration that St. Paul owes no indemnity obligation to the District with respect to the Underlying Lawsuit under the PELP coverage parts of the St. Paul Pool Policies.

6. For a declaration that St. Paul owes no indemnity obligation to the District with respect to the Underlying Lawsuit under the ALP coverage parts of the St. Paul Pool Policies.

7. For all interest allowed by law.

8. For attorney fees and costs allowed by statute and law.

9. For other and further relief as the Court deems just and equitable.

DATED this 8th day of January, 2018.

LEATHER & ASSOCIATES, PLLC

/s/ Thomas Lether

/s/ Eric J. Neal

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